

**Minutes of the 168<sup>th</sup> Regular Meeting of the Board of Directors  
Northeast Nebraska Public Power District**

The 168<sup>th</sup> regular meeting of the Northeast Nebraska Public Power District was called to order at 10:07 a.m., on November 22<sup>nd</sup>, 2011, by President Don Larsen, who chaired the meeting. This meeting was held in the power district's General Office in Wayne, NE. President Larsen announced that the meeting was being conducted pursuant to the Nebraska Open Meetings Law and pointed out the location of the law in the meeting room.

Notice of this meeting was posted at all facilities of Northeast Nebraska Public Power District and was delivered by first class mail to the City Hall offices of the following towns and villages: Allen, Carroll, Concord, Dixon, Emerson, Foster, Hoskins, Hubbard, Jackson, Martinsburg, Maskell, McLean, Newcastle, Obert, Osmond, Pierce, Ponca, Thurston, Waterbury, Wayne, and Winside. Notice was also sent to the following newspapers: Nebraska Journal Leader, Norfolk Daily News, Norfolk Shopper, Pender Times, Pierce County Leader, Osmond Republican, Randolph Times, South Sioux City Star, Wakefield Republican, and Wayne Herald.

The following Officers and Directors were present:

**Director Bodlak      Director Gustafson      Director Lebsock**  
**Director Silhacek      Director Larsen      Director Kneifl**

Directors absent: Director Birkley, Director Gansebom

Others present: Mark Shults, Kyle Dahl, Jan Kristjanson, Randy Belt, and Mandy Backer.

Review and approve minutes of the October 25, 2011 regular board of directors meeting: Following review of the minutes a motion was made by Director Kneifl to approve the minutes of the October 25, 2011 Regular Board Meeting, which was seconded by Director Gustafson and was approved on an 6-0 on a voice vote.

Public Comment Period: No one appeared from the public, but Mark Shults gave a brief update on a call he received from River Time Resorts regarding a customer who had been disconnected due to the flooding on the Missouri River, but was continuing to pay the minimum charges. No official or vote or action was taken by the Board on this issue.

Authorization of October 2011 Expenses: There was a brief discussion of various expenses, followed by a motion to approve the October 2011 expenses made by Director Lebsock and seconded by Director Bodlak.

The following roll call vote was taken upon the motion:

Director Larsen – yes	Director Gustafson – yes	Director Silhacek – yes
Director Birkley – (absent)	Director Gansebom – (absent)	Director Lebsock – yes
Director Kneifl – yes	Director Bodlak - yes	

October 2011 Financial Statements. Mark Shults reported that the numbers were looking very close to budget, and that the 2011 rate increase only covered the increased cost that the District pays for wholesale power and did not provide the District with any additional funds for its operating expenses. He also noted that wholesale power costs are now 69% of the District's costs, up from 65% for last year.

Management Reports:

1. Mandy Backer: Mandy gave a report on recent meetings with the Federal Emergency Management Agency (FEMA), and noted that the District should receive approximately \$10,000 towards the repair of its facilities that were damaged in the Missouri River flooding last summer.
2. Jan Kristjanson: Jan noted that the staff is going to visit irrigation services soon, and that the power factor billing statements should be coming out soon as well.
3. Randy Belt: Randy reported that substation #3 is back on line and that the fence is up. He also discussed progress on the upgrading of lines, installing bin services, tree trimming, and that there still are a few customers along the Missouri river that need to be reconnected with service once they are approved by the State electrical inspector.
4. Mark Shults: Mark reported on a couple of issues including a project with Michael Foods in Wakefield, and also discussed the possibility of providing e-readers to the board for its meetings instead of incurring the ongoing expense of printing, assembling, and mailing the board packets each month. Mark also noted that the Directors who are up for re-election in 2012 are Dan Gansebom, Tom Gustafson, and Don Larsen. Finally, Mark and attorney Kyle Dahl presented a letter from Attorney Charlie Humble on behalf of the City of Pierce regarding an offer to settle the current dispute with the City over service area rights and customers.

The Board then recessed at 11:52 a.m. for lunch and reconvened at 12:44 p.m.

Old Business: None.

New Business:

1. Board visit with Mr. Louis Pofahl of Congressman Jeff Fortenberry's office in Norfolk, NE. Mr. Pofahl gave a brief presentation and answered questions from the Board on a number of topics including issues relating to the EPA's proposed regulations regarding the Clean Air Act, subsidies for wind power and other related issues. He noted that with the upcoming elections in November 2012, he didn't expect to see many significant bills from Congress during the next 12 months. He also noted that after the next election, a significant portion of the District's territory will be moved to what is now Congressman Adrian Smith's district, but that there will still be a portion of the District's territory that will remain in the current congressional district.
2. Resolution 2011-11-02. Resolution to approve Work Plan and Budget for 2012. Mark Shults provided some information on the revised work plan and budget for 2012. After a brief discussion, Director Gustafson made a motion to approve the resolution, which was seconded by Director Bodlak. The resolution passed on a 6-0 voice vote.
3. Resolution 2011-11-03. Resolution to approve 2012 retail rates. Mark Shults provided the Board with the proposed retail rates for 2012 to reflect the increased costs that the District is incurring for wholesale power. Director Bodlak then made a motion to approve the resolution, which was seconded by Director Kneifl. The resolution passed on a 6-0 voice vote.
4. Resolution 2011-11-01. Resolution to approve the 2012 goals for the general manager. Mark Shults presented his proposed 2012 goals to the Board based upon discussions with the Board at last month's meeting. After a brief discussion, Director Bodlak made a motion to approve the

resolution, which was seconded by Director Gustafson. The resolution passed on a 6-0 voice vote.

5. Action to purchase ¾ acre of property from Mr. Herbert Wills for new Winside Substation. Mark Shults provided information on the proposed purchase of approximately 0.75 acres from Mr. and Mrs. Wills in Winside for the expansion of the Winside substation. After a brief discussion, Director Bodlak made a motion to authorize General Manager Mark Shults and Board President Don Larsen to enter into and execute any agreements necessary to complete the purchase. The motion was seconded by Director Silhacek, and approved on a 6-0 voice vote.

Director Gansebom arrived at 1:30 p.m.

6. Resolution 2011-11-05. Resolution to set meeting dates for 2012. The board had a brief discussion and then Director Bodlak made a motion to set the meeting dates for 2012 as proposed in the resolution with the modifications that the January 2012 regular meeting shall be on January 11<sup>th</sup>, 2012 at 10:00 AM, and the February 2012 regular meeting shall be on February 29<sup>th</sup>, 2012 at 10:00 AM, which was seconded by Director Gustafson, and approved on a 7-0 voice vote.
7. Action on response to City of Pierce letter. After a discussion between the Board, and management, a motion was made by Director Bodlak, which was seconded by Director Gustafson, authorizing attorney Kyle Dahl to respond to the letter from Charlie Humble offering the City of Pierce \$13,049 for the right to provide service to ten customers located to the East of the City of Pierce, but rejecting the other items offered in the letter.

The following roll call vote was taken upon the motion:

Director Larsen – yes	Director Gustafson – yes	Director Silhacek – yes
Director Birkley – (absent)	Director Gansebom – (absent)	Director Lebsock – yes
Director Kneifl – yes	Director Bodlak - yes	

Board Member Reports: Director Gansebom gave a report on the G&T meetings and Director Bodlak gave a report from the NE Wind Energy Conference.

Executive Session: President Larsen asked if there was any need for the Board to go into executive session. No one made a motion for the Board to go into executive session and none was had.

There was then a motion to adjourn the meeting made by Director Gustafson and seconded by Director Kneifl and was approved 7-0 on a voice vote. The meeting was adjourned at 3:40 p.m.

I, the undersigned, secretary of the Northeast Nebraska Public Power District, Wayne, Nebraska, hereby certify that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the District; that minutes of the District were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meeting of said body were provided advance notification of the time and place of said meeting and the subject matters to be discussed at said meeting.

\_\_\_\_\_  
Secretary

Attest: \_\_\_\_\_  
President